



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

TESTIMONY OF ROBERT L. GENUARIO SECRETARY

OFFICE OF POLICY AND MANAGEMENT Before The Appropriations, Human Services and Public Health Committees

September 22, 2008

FFY 2009 ALLOCATION PLANS FOR FEDERAL BLOCK GRANTS

Good morning Senator Harp, Representative Merrill, Senator Harris, Representative Villano, Senator Handley, Representative Sayers, and distinguished members of the Appropriations, Human Services, and Public Health Committees. I am Robert Genuario, Secretary of the Office of Policy and Management, and I am before you today on behalf of Governor Rell to request your approval of the federal fiscal year 2009 federal block grant allocation plans.

Before you this morning are allocation plans for the Social Services (SSBG), Community Services (CSBG), Community Mental Health Services (CMHS), Substance Abuse Prevention and Treatment (SAPT), Maternal and Child Health (MCH), and Preventive Health and Health Services (PHHS) Block Grants. Together, these six block grants represent approximately \$50 million in federal funding for Connecticut.

As always, we cannot be certain of the funding level until Congress acts on the federal budget. Proposed funding levels are available to us from the President's budget, the Senate Appropriations committee budget, and for two block grants – SSBG and CSBG—the House Appropriations committee budget. Our best indications from the federal government, based on congressional actions to-date, are that allocations to Connecticut for five of the six block grants will be level funded. Despite the uncertainty regarding federal funding levels for these block grants, all of the allocation plans before you today – with the exception of the Social Services Block Grant (SSBG) -- assume level funding. The SSBG allocation plan is submitted based on the President's budget reduction of approximately 30% as required by the U.S. Department of

Health and Human Services (HHS). Although both the House and Senate Appropriations Committees have acted to restore level funding to this block grant, the state is required by the U.S. Department of Health and Human Services to submit an allocation plan based on the 30% reduction level. We do expect a slight reduction (approximately 1%) in Connecticut's proportion of the Social Services Block Grant as a result of HHS grant formula adjustments reflecting a minor decrease in Connecticut's population as a percentage of the total U.S. population. The SSBG allocation plan states that, if the final appropriation is above the level used in our allocation plan "allocations will be adjusted in proportion to the amounts shown in this plan". Thus, any increase or decrease in federal funding will result in a proportional increase or decrease in funding for each spending category. It is important to note that all of the allocation plans contain contingency plans in case more or less funding is awarded to Connecticut.

For your information, I have attached a line chart showing federal block grant award trends over the past decade. As you can see, awards for the six block grants before you this morning have been fairly stable over the past ten years. Once again, the block grant allocation plans before you today – with the exception of SSBG – do not anticipate any overall reduction in service. However, in the absence of increases in federal block grant amounts, next year's allocation plans for all six block grants may need to include programmatic reductions due to declining availability of carry forward funds and increasing costs.

We are requesting technical revisions to the tables in the Social Services Block Grant allocation plan, which Commissioner Starkowski will explain. Deputy Commissioner Gyle, Commissioner Kirk, Commissioner Hamilton, and Commissioner Starkowski will follow me with more specific information on each of the block grant allocation plans. I urge your support of the six block grant allocation plans and I would be happy to answer any questions you may have at this time.

(does not include carry forward funds, contingency funds, or other supplemental funding)

